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Office of Proceedings**

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Public Record**

851 Twelfth Street
Oakmont, PA 15139

January 18, 2012

Ms. Cynthia T. Brown, Chief
Section of Administration
Office of Proceedings
Surface Transportation Board
395 E. Street, SW
Washington, DC 20423



Re: Finance Docket No. 35377, North Shore Railroad Company – Acquisition and
Operation Exemption – PPL Susquehanna, LLC

Dear Ms. Brown:

The purpose of this letter is to provide the Board with a status report regarding the above proceeding. On December 7, 2011, the Board issued an Exemption Notice in Finance Docket No. 35576 authorizing the prior purchase by PPL Susquehanna, LLC and Allegheny Electric Cooperative, Inc. of approximately seven miles of the former Bloomsburg Branch between Berwick and Hicks Ferry, Pennsylvania from the Pennsylvania Department of Transportation. In light of this decision, North Shore Railroad Company intends to pursue the acquisition and operation exemption previously filed on May 17, 2010 in the above captioned proceeding to acquire a rail operating easement over the line.

During the pendency of this proceeding, North Shore Railroad and PPL Susquehanna, LLC have become aware of the need to revise the proposed rail operating easement so as to eliminate the appearance of limitations on North Shore Railroad's common carrier operation of this line, which the parties did not intend. Given the current commitments of counsel and the need to revise the rail operating easement, it is anticipated that the parties will require an additional 90 days within which to submit a revised easement agreement to the Board for its consideration.

Ms. Cynthia T. Brown
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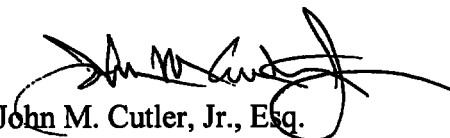
Should the Board have any questions regarding this matter, please do not hesitate to contact the undersigned.

Very truly yours,

RICHARD R. WILSON, P.C.

A handwritten signature in black ink, appearing to read "Richard R. Wilson", followed by a horizontal line.

Richard R. Wilson, Esq.
Attorney for North Shore Railroad Co.

A handwritten signature in black ink, appearing to read "John M. Cutler, Jr.", followed by a horizontal line.

John M. Cutler, Jr., Esq.
Attorney for PPL Susquehanna, LLC

RRW/bab

xc: North Shore Railroad Co.
PPL Susquehanna, LLC